



Billing Code 3110-01

OFFICE OF MANAGEMENT AND BUDGET

Office of Federal Procurement Policy

Conformance of the Cost Accounting Standards to Generally Accepted Accounting

Principles for Capitalization of Tangible Assets and Accounting for Acquisition Costs of Material

AGENCY: Cost Accounting Standards Board, Office Federal Procurement Policy, Office of Management and Budget.

ACTION: Notice.

SUMMARY: The Office of Federal Procurement Policy, Cost Accounting Standards Board, is publishing this notice to announce the availability of a Staff Discussion Paper (SDP) on conformance of the Cost Accounting Standards (CAS) to Generally Accepted Accounting Principles (GAAP) for capitalization of tangible assets and accounting for acquisition costs of material.

DATES: Comments must be in writing and must be received by **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**

ADDRESSES: Due to delays in OMB's receipt and processing of mail, respondents are strongly encouraged to submit comments electronically to ensure timely receipt. Electronic comments should be submitted to CASB@omb.eop.gov. Be sure to include your name, title, organization, and reference case CASB 2020-01. If you must submit by regular mail, please do so at Office of Federal Procurement Policy, 725 17th Street NW, Washington, DC 20503, ATTN: Mathew Blum.

Please note that all public comments received are subject to the Freedom of Information Act and will be posted in their entirety, including any personal and/or business confidential information provided. Do not include any information you would not like to be made publically available.

FOR FURTHER INFORMATION CONTACT: Mathew Blum, Cost Accounting Standards Board (Telephone 202-680-9579; email mblum@omb.eop.gov).

Availability: The full text of the SDP is available on the Office of Management and Budget homepage at: https://www.whitehouse.gov/omb/management/office-federal-procurement-policy/#_Office_of_Federal_5

SUPPLEMENTARY INFORMATION:

I. Background and Summary

Section 820 of Public Law 114-328 directed the Board to conform CAS to GAAP to the maximum extent practicable. This notice announces the availability of a staff discussion paper addressing the potential conformance of CAS 404, Capitalization of Tangible Assets, and CAS 411, CAS Accounting for Acquisition Costs of Material, to GAAP. Issuance of a staff discussion paper is the first of a four-step process required by law (41 U.S.C. §1502(c)) prior to the establishment of any new or revised Cost Accounting Standard.

On March 13, 2019, the Board issued a roadmap for public comment addressing the overall prioritization and specific sequencing of its conformance work. See 84 FR 9143. Among other things, the roadmap explained that the Board would give priority attention to standards focused primarily on cost measurement and assignment of costs to accounting periods, including CAS 404 and CAS 411. The majority of commenters recognized the benefit of focusing on those standards anticipated to offer the most opportunity to conform CAS to existing content in GAAP and generally agreed with the proposed prioritization. See 85 FR 15817

(March 19, 2020). The Board also found that the template it used for its first analysis, addressing CAS 408 and CAS 409, was helpful in organizing public input. For these reasons, the Board is using the same template to cross-walk coverage of CAS 404 and 411 with GAAP in the SDP.

Respondents are encouraged to provide comments to the questions raised by the Board, although the Board also welcomes identification and comment on any other important issues related to conformance of the subject CAS to GAAP.

II. Public comments

Interested persons are invited to participate by providing input with respect to conformance of CAS to GAAP. All comments must be in writing and submitted as instructed in the **Addresses** section.

Michael E. Wooten,

*Administrator for Federal Procurement Policy, and
Chair, Cost Accounting Standards Board.*